



DIRECTORS' REPORT

Dear Shareholders,

Your directors are pleased to present the Director's Report of ISGN Corporation for the period ended December 31, 2009.

Financial Results

In the meeting held on December 8, 2009, your Directors approved the change of the Company's financial year from the fiscal year commencing on 1st April of one calendar year and ending on 31st March of the subsequent calendar year to the calendar year (ending 31st December). Accordingly, the current period financial statements have been prepared for the nine months period ended December 31, 2009. Please note that the current period will not be comparable with that of the previous year, which had been for a period of 12 months.

The performance of the entity for nine months ended December 31, 2009 is summarized below:

Particulars	December 31, 2009 (US\$ '000)	March 31, 2009 (US\$ '000)
Income	11,819	14,446
Profit/(Loss) before tax and after exceptional items	(4,225)	(1,309)
Profit/(Loss) after tax and after exceptional items	(4,399)	(1,330)

Business Operations:

Your Company's core business is designing, developing and selling of software products for the mortgage lending industry. The products developed cater to the various needs of the mortgage industry and the products portfolio comprises of Diamond, Bridgelink, Lenstar, TCL, TMO and Fortracs. The products function on various aspects of a mortgage industry which includes origination process including documentation, advanced systems that automate everything from the point of sale and web origination through processing, underwriting, closing, secondary tracking and delivery. Also, the company supports and renders services to the customers for the product developed.

Your Company's revenue from operations stood at US\$ 11.72 million for the period against \$14.43 million in the previous year registering an increase of 8% from the previous year (adjusted for the shortened period in 2009). The net loss before tax and after exceptional items for the year stood at \$4.23 million as against loss of \$1.31 million in the previous year. The EBITDA before exceptional items for the year stood at \$1.93 million as against \$3.28 million during the previous year. The drop in EBITDA is mainly due to a drop in revenues.



Directors:

Mr. Krishna Srinivasan, Mr. Murali Gomatam, and Mr. Niraj Patel are the Members of the Board of Directors.

Dividend

In the absence of profits, your Company has not declared any dividend for this period.

Subsidiaries

Your company has the following wholly owned subsidiaries namely (1) ISGN Solutions, Inc., and (2) NovaSoft Information Technology Corporation GmbH (NITC, GmbH). NITC, GmbH is in the process of winding up and will be dissolved in 2010.

Richmond Investors LLC, Richmond Title Genpar LLC, Richmond Title Services LLC, Richmond Title Services LP and Flex Agents Signing Team LLC are the wholly owned subsidiaries of ISGN Solutions, Inc., a wholly owned subsidiary of the Company.

During the period, pursuant to the Share Purchase Agreement entered into with Fiserv Inc., dated 28th September 2009, as amended, ISGN Solutions, Inc. acquired 100% ownership control of the following entities: Fiserv Fulfillment Services, Inc., USA (Pennsylvania), Fiserv Fulfillment Services, Inc., USA (Arizona), Fiserv Fulfillment Services South, Inc., USA, Fiserv Fulfillment Services of Alabama, LLC, USA, Fiserv Fulfillment Services of Maryland, Inc., USA, ILS Services, LLC, USA, Fiserv Fulfillment Agency, LLC, USA and Fiserv Fulfillment Agency of Alabama, LLC, USA.

In view of this, the above entities became the wholly owned subsidiaries of your Company. The above subsidiaries are operating in the title business and fulfillment services catering mainly to the mortgage market in the US.

Share Capital

During the period the Company has issued shares 162,302,431 shares of \$0.0001 each at a premium of \$0.1498 per share equivalent to US \$16,230 and US \$24,312,904 respectively to CFCL Technologies Ltd, pursuant to which the paid up share capital of your Company stood at 554,220,231 shares of \$0.0001 each.



Acknowledgements

Your Directors thank the clients, vendors, investors, banks and Government Departments for their support during the year. Your Directors place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board of Directors,



Director

A handwritten signature in black ink, appearing to be "S. K.", followed by a horizontal line extending to the right. Below the signature is the word "Director" in a bold, sans-serif font.

Date: April 23, 2010
Place: Bensalem, PA

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF CFCL TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of **ISGN CORPORATION** ("the Company") as at December 31, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion we invite attention to Note no 1(h) of Schedule 19 relating to the translation of the financial statements at the closing rate for the convenience of the readers. These numbers are based on information from the management and have not been audited by us.
4. We report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;



Deloitte Haskins & Sells

- (c) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2009;
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.
5. These financial statements have been prepared solely for the purpose of publication of summarized financial information in the financial statements of the holding company M/s Chambal Fertilizers and Chemicals Limited pursuant to Section 212 of the Companies Act, 1956. It should be used for aforesaid purpose only.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)



Bhavani Balasubramanian
Partner
Membership No. 22156

Place: Chennai, April 26, 2010

ISGN CORPORATION, USA
BALANCE SHEET AS AT DECEMBER 31, 2009

	Schedule	As at March 31, 2009 (In USD)	As at December 31, 2009 (In USD)	As at December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
SOURCES OF FUNDS				
Shareholders' Funds				
Share capital	1			
Reserves and surplus	2	39,192	55,422	2,580
		60,355,119	89,833,201	4,181,286
		60,394,311	89,888,623	4,183,866
Loan Funds				
Secured loans	3			
Unsecured loans	4	4,870,804	4,882,253	227,244
		8,253,880	8,591,861	399,908
		13,124,684	13,474,114	627,152
Total		73,518,995	103,362,737	4,811,018
APPLICATION OF FUNDS				
Fixed Assets				
Gross block	5			
Less : Accumulated depreciation		3,404,497	3,959,795	184,308
Net block		2,024,939	2,943,946	137,026
		1,379,558	1,015,849	47,282
Intangible Assets				
	6	14,582,245	31,427,462	1,462,790
Investments				
	7	34,840,874	46,896,165	2,182,782
Current Assets, Loans and Advances :				
Sundry debtors	8			
Cash and bank balances	9	2,277,820	3,154,529	146,830
Other current assets	10	205,355	3,121,842	145,306
Loans and advances	11	595,424	344,548	16,037
		12,773,231	3,455,705	160,846
		15,861,830	10,076,624	468,019
Less : Current Liabilities and Provisions				
Current liabilities	12			
Provisions	13	11,136,343	8,486,994	395,028
		-	98,283	4,575
		11,136,343	8,585,277	399,603
Net Current Assets		4,715,487	1,491,347	69,416
Profit & Loss Account		18,000,831	22,531,914	1,048,748
Total		73,518,995	103,362,737	4,811,018

Notes on Accounts

19

Schedules referred to above form an integral part of these accounts

This is the Balance Sheet referred to
in our report of even date.

for Deloitte Haskins & Sells,
Chartered Accountants

Bhavan Balasubramanian

Bhavan Balasubramanian
Partner

For and on behalf of the Board of Directors

[Signature]

Director

[Signature]

Director

Place: CHENNAI
Date: APRIL 26, 2010



[Signature]
Chief Financial Officer

PLACE : BENSALEM, PA .

DATE : APRIL 23, 2010 .

ISGN CORPORATION, USA
 PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED DECEMBER 31, 2009

	Schedule	Year ended March 31, 2009 (In USD)	Period ended December 31, 2009 (In USD)	Period ended December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
INCOME				
Revenue from Software Products and Services	14			
Other income	15	14,425,424	11,719,450	545,482
Total		21,139	100,091	4,660
		14,446,563	11,819,541	550,142
EXPENDITURE				
Employee cost	16			
Other Administrative expenses	17	4,442,356	3,305,080	153,835
Depreciation / Amortization	5&6	6,066,748	6,581,992	306,359
Financial expenses	18	5,498,451	5,505,781	256,267
Total		648,628	651,946	30,345
		16,656,183	16,044,799	746,806
Loss Before Exceptional Items and Tax				
Exceptional Items		(2,209,620)	(4,225,258)	(196,664)
Excess provision for diminution in the value of investment written back				
Loss on sale of Long term investment		1,111,094		
		(210,198)		
Loss After Exceptional Items and Before Tax		(1,308,724)	(4,225,258)	(196,664)
Provision for Tax				
Current tax				
Net loss after tax for the year		20,823	174,070	8,102
		(1,329,547)	(4,399,328)	(204,766)
Loss brought forward from Previous year				
Add: Adjustments on merger of Dynatek		(16,671,284)	(18,000,831)	(837,849)
		-	(131,755)	(6,133)
Loss carried to Balance Sheet		(18,000,831)	(22,531,914)	(1,048,748)
Earnings per share				
(Face value of \$0.0001 per share)		(0.0035)	(0.0117)	(0.5442)

Notes on Accounts

19

Schedules referred to above form an integral part of these accounts

This is the Profit & Loss Account referred to in our report of even date.

for Deloitte Haskins & Sells,
Chartered Accountants

Bhavan Balasubramanian

Bhavan Balasubramanian
Partner

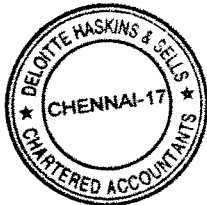
For and on behalf of the Board of Directors

[Signature]
Director

[Signature]
Director

Place: CHENNAI
Date: APRIL 26, 2010

[Signature]
Chief Financial Officer



PLACE : BENSALLEN, PA.
DATE : APRIL 23, 2010.

ISGN CORPORATION, USA
CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31,2009

	Year ended March 31,2009	Period ended December 31,2009	Period ended December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
	(US\$)	(US\$)	
A. Cash flow from operating activities :			
Loss before tax	(1,308,724)	(4,225,258)	(196,664)
Adjustments for :			
Adjustment of Losses of subsidiary on the date of closure.			-
Depreciation/ Amortisation	5,498,451	5,505,781	256,267
Loss on sale of fixed assets		289	13
Loss/(Profit) on sale of investments	210,198	-	-
Unrealised foreign exchange fluctuataion		(36,935)	(1,719)
Miscellaneous expenditure written off			
Provision for doubtful deposits/ advances	(121,435)	401,716	18,698
Doubtful debts/ advances written off	458,240	47,029	2,189
Interest expense	646,713	639,633	29,772
Interest income	(4,180)	(1,306)	(61)
Dividend income	-		
Operating profit before working capital changes	5,379,263	2,330,949	108,495
<u>Movement in working capital :</u>			
Decrease in trade and other receivables	1,224,207	9,574,393	445,640
Increase /(Decrease) in trade payables	1,937,393	(4,635,903)	(215,778)
Cash generated from operations	8,540,863	7,269,439	338,357
Direct taxes paid (net of refunds)	(20,823)	(75,787)	(3,528)
Net cash generated from operating activities	8,520,040	7,193,652	334,829
B. Cash flow from Investing activities			
Purchase of fixed assets (Inclusive of Intangible assets)	(2,799,406)	(2,234,268)	(103,994)
Investments in subsidiaries	(10,415,874)	(26,107,058)	(1,215,153)
Sale of fixed assets	-	1,500	70
Sale of investments	32,384	-	-
Interest received	4,180	1,306	61
Net cash used in Investing activities	(13,178,716)	(28,338,521)	(1,319,016)
C. Cash flow from financing activities			
Repayment of long term borrowings	(746,120)		-
Net proceeds of short term borrowings	3,463,007	349,430	16,264
Proceed from Share Capital	2,444,682	24,329,134	1,132,400
Interest paid	(646,713)	(639,633)	(29,772)
Net cash generated from financing activities	4,514,856	24,038,931	1,118,892
Net (decrease) / increase cash and cash equivalents (A+B+C)	(143,820)	2,894,062	134,705
Cash and cash equivalents at the beginning of the year	349,175	205,355	9,558
Add: Cash and cash equivalents of the subsidiarles merged	-	22,425	1,044
Cash and cash equivalents at the end of the year	205,355	3,121,842	145,307

This is the Cashflow statement referred to
in our report of even date.

for Deloitte Haskins & Sells,
Chartered Accountants

For and on behalf of the Board of Directors

Bha Balasub

Bhavani Balasubramanian
Partner

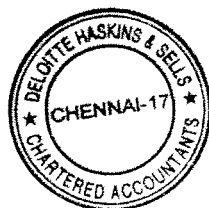
Mark Smith
Director

S.K.R
Director

Chawf
Chief Financial Officer

Place: CHENNAI
Date: APRIL 26, 2010

PLACE : BENSLEM, PA
DATE : APRIL 23, 2010



ISGN CORPORATION, USA
SCHEDULES FORMING PART OF ACCOUNTS

	As at March 31, 2009 (In USD)	As at December 31, 2009 (In USD)	As at December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
SCHEDULE 1 : SHARE CAPITAL			
Authorised Share capital			
597,000,000 shares of \$ 0.0001 each	59,700	59,700	2,779
3,000,000 Preferred shares of \$ 0.0001 each	300	300	14
	60,000	60,000	2,793

Issued, Subscribed and Paid Up Share capital

554,220,231 shares of \$ 0.0001 each fully paid up (162,302,431 (Previous year 16,308,753 shares) Equity shares issued during the year to CFCL Technologies Ltd)	39,192	55,422	2,580
	39,192	55,422	2,580

Note

No of shares held by CFCL Technologies Ltd, Caymand Islands holding company

391,865,538	554,167,969
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SCHEDULE 2 : RESERVES AND SURPLUS

Securities Premium Account (Refer Note 3 of Schedule 19)

Balance as per last account	57,875,133	60,318,184	2,807,510
Add: Additions during the year	2,443,051	29,515,017	1,373,776
	60,318,184	89,833,201	4,181,286

Foreign Currency Translation Reserve

Balance as per last account	36,935	36,935	1,719
Less: Utilisation during the year	-	(36,935)	(1,719)
	36,935	-	-

SCHEDULE 3 : SECURED LOANS

Term loans (Note 1 & 3)	369,552	538,347	25,057
Finance lease obligation (Note 2)	417,741	212,393	9,886
Line of credit (Note 1 & 4)	4,083,511	4,131,513	192,301
	4,870,804	4,882,253	227,244

1 The Term loan and line of credit are secured by way of first priority continuing security interest in and lien upon all of right, title and interest in all receivables; equipments; fixtures; general intangibles; intellectual property; inventory; investment property; deposit accounts; cash; commercial tort claims; all goods and personal property, whether tangible or intangible and all proceeds of the foregoing and all accessions to, substitutions and replacements for, rents, profits, and products of each of the foregoing. The security interest lies in ISGN solutions, Inc, ISGN corporation. Also the loans are secured by the share certificates of ISGN Solutions, Inc and all its dividends, distributions, cash, Instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such pledge shares.

2 Finance lease obligations are secured by the assets acquired under the respective leases.

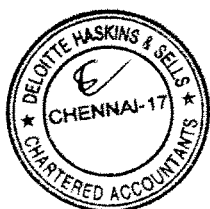
3 In consideration of the loans being extended, the Company has also entered into a warrant agreement with TPC which provides for warrant coverage of US\$ 100,000 with a conversion option into 10,882 Series B preference shares in CFCL Technologies Limited, the parent company, at a conversion price of US\$ 9.1892.

4 In consideration of the loans being extended, the company has also entered into a warrant agreement with TPC which provides for warrant coverage of US\$400,000 with a conversion option of 43,529 Series B Preference shares in CFCL Technologies Limited, the parent company, at a conversion price of US\$ 9.1892

SCHEDULE 4 : UNSECURED LOANS

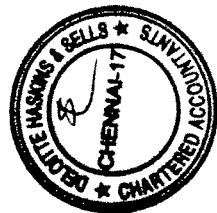
Convertible Notes (Refer Note 4 of schedule 19)

Interest bearing Convertible Promissory Notes	8,253,880	8,253,880	384,177
Other Financial Debts	-	337,981	15,731
	8,253,880	8,591,861	399,908



ISON CORPORATION, USA
 SCHEDULES FORMING PART OF ACCOUNTS
 Schedule 5 : Fixed Assets

Particulars	GROSS BLOCK					DEPRECIATION/MORTGIZATION					Net Block				
	Opening Balances as on 01st April 2009	Addition on account of merger	Gross Cost as at April 1, 2009	Adjustments	Additions	Deletions	Cost as at December 31, 2009	December 31, 2009 Convenience translation into (Rs. 1000) (Unaudited)	Upto April 1, 2009	For the year	On Deletions	Upto December 31, 2009	December 31, 2009 Convenience translation into (Rs. 1000) (Unaudited)	As at December 31, 2009	As at March 31, 2009
Computers	2,269,938	71,006	2,340,944	-	180,381	-	2,521,225	117,350	1,303,545	490,723	-	1,833,487	89,995	597,728	888,203
Leasehold Improvements	155,234	124,735	279,969	-	-	-	279,969	13,031	140,567	13,977	-	238,076	11,128	49,899	14,887
Office Equipments	485,742	66,503	552,225	-	22,125	3,922	570,528	26,556	179,877	78,071	2,133	318,640	14,691	254,988	308,844
Furniture and Fixtures	493,693	55,352	549,035	-	-	-	549,035	25,595	320,950	49,913	-	423,890	19,730	125,136	172,733
Vehicles	-	39,038	39,038	-	-	-	39,038	1,817	-	5,862	-	31,849	1,462	7,198	-
Total Fixed Assets as per Schedule	3,404,497	358,714	3,763,211		202,508	3,922	3,883,793	184,308	2,024,939	633,648	2,133	2,843,948	137,238	1,019,849	1,379,348
Previous Year	3,152,560				29,193		3,404,497	172,976	1,281,294	759,644		2,024,939	102,705	1,379,858	1,861,266



ISON CORPORATION, USA
SCHEDULES FORMING PART OF ACCOUNTS

Schedule 6 Intangible Assets

Particulars	GROSS BLOCK										DEPRECIATION/AMORTIZATION		Net Book Value				
	Opening Balances as on 01st April 2009	Addition on account of merger	Gross Cost as at April 1, 2008	Adjustments	Additions	Deletions	Cost as at December 31, 2009	December 31, 2009 Convenience Translation into (Rs. '000) (Unaudited)	Upto April 1, 2009	Addition on account of merger	Upto March 31, 2009	For the year	On Deletions	Upto December 31, 2009	December 31, 2009 Convenience Translation into (Rs. '000) (Unaudited)	As at December 31, 2009	As at March 31, 2009
Intangible Assets	4,307,303	2,540	4,307,303	-	10,307	-	4,307,303	203,279	4,307,303	4,307,303	108,431	203,279	-	4,307,303	108,431	4,307,303	4,307,303
Intellectual Property rights	253,935	2,540	256,465	-	10,307	-	266,804	12,421	105,703	108,251	49,186	7,329	-	157,437	5,000	152,437	148,235
Software Packages	4,821,172	3,045,305	8,005,537	-	2,027,300	-	10,827,917	503,985	1,839,578	4,337,089	2,050,095	2,758,924	-	6,308,364	208,271	6,516,635	3,181,584
Software Development Cost	11,252,418	-	11,252,418	18,362,899	-	-	29,615,317	1,379,841	-	-	2,758,924	-	-	2,758,924	1,251,426	28,866,743	11,252,418
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	20,884,808	3,047,845	24,932,653	18,362,899	2,037,614	-	46,07,442	2,089,876	6,132,644	8,812,743	4,882,216	4,754,907	-	13,871,888	424,739	14,296,627	14,822,248
Previous Year	18,874,233	-	18,874,233	-	2,547,489	1,728,813	20,894,509	1,049,843	3,104,950	3,112,644	4,754,907	1,728,813	-	5,112,644	210,022	5,322,666	18,795,953



ISGN CORPORATION, USA
SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE 7 : INVESTMENTS

(Long Term - Trade, Unquoted)

7,290,197 (Previous year 7,290,196) Common Stock of US\$ 0.01 each in ISGN Solutions, Inc. fully paid up
16,000 Common Stock in Dynatek, Inc., fully paid up
(Refer Note No 6 of Schedule 19)

	As at March 31, 2009 (In USD)	As at December 31, 2009 (In USD)	As at December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
	15,586,994	46,896,165	2,182,782
	19,253,880	-	-
	34,840,874	46,896,165	2,182,782

SCHEDULE 8 : SUNDRY DEBTORS

Debts outstanding for a period exceeding six months
Secured, considered good
Unsecured, considered good
Unsecured, considered doubtful

Debts outstanding for a period six months or less
Secured, considered good
Unsecured, considered good
Unsecured, considered doubtful

(Less: Provision for doubtful debts)

	-	-	-
	216,617	570,885	26,572
	401,633	803,349	37,392
	-	-	-
	-	-	-
	2,061,203	2,583,644	120,258
	-	-	-
	-	-	-
	(401,633)	(803,349)	(37,392)
	2,277,820	3,154,529	146,830

SCHEDULE 9 : CASH AND BANK BALANCES

Balances with Banks

- In Current Accounts

- In Money market account

	201,628	316,809	14,746
	3,727	2,805,033	130,560
	205,355	3,121,842	145,306

SCHEDULE 10 : OTHER CURRENT ASSETS

Unbilled revenue

Interest accrued

	595,424	344,459	16,033
	-	89	4
	595,424	344,548	16,037

SCHEDULE 11 : LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received
- Advances to suppliers

- Other advances recoverable in cash or in kind or for value to be received

Deposits - others

	12,636	25,479	1,186
	12,262,937	2,851,417	132,719
	497,658	578,809	26,941
	12,773,231	3,455,705	160,846

SCHEDULE 12 : CURRENT LIABILITIES

Sundry creditors

- Payable to suppliers

- Accrual/Provision

- Other creditors

Advances from customers

Earnest money / security deposits

Other liabilities

Book Overdraft

Interest accrued but not due on loans and debentures

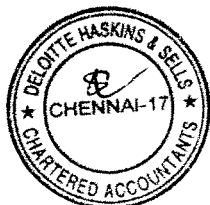
	305,858	371,900	17,310
	522,549	463,478	21,573
	6,601,702	2,592,066	120,648
	2,998,897	4,439,781	206,650
	5,898	5,898	275
	288,745	44,417	2,067
	-	2,000	93
	412,694	567,454	26,412
	11,136,343	8,486,994	395,028

SCHEDULE 13 : PROVISIONS

Provision

- Provision for taxation (net of advance tax payments)

	-	98,283	4,575
	-	98,283	4,575



ISGN CORPORATION, USA
SCHEDULES FORMING PART OF ACCOUNTS

Year ended March 31, 2009 (In USD)	Period ended December 31, 2009 (In USD)	Period ended December 31, 2009 Convenience translation into (Rs.'000) (Unaudited)
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SCHEDULE 14: REVENUE FROM SOFTWARE PRODUCTS AND SERVICES

Knowledge process outsourcing services	5,000	74,945	3,488
Software and business process outsourcing services	6,821,915	3,965,580	184,578
Software licence fee	1,568,780	1,489,332	69,321
Software maintenance	6,029,729	6,189,593	288,095
	14,425,424	11,719,450	545,482

SCHEDULE 15 : OTHER INCOME

- Interest received from Others (Gross)	4,180	1,306	61
Rent received	16,842	53,079	2,471
Foreign exchange variation	-	35,188	1,638
Miscellaneous income	117	10,518	490
	21,139	100,091	4,660

SCHEDULE 16 : EMPLOYEE COST

Salaries, wages and bonus (Note below)	3,513,225	2,669,812	124,266
Contribution to provident and other funds	512,352	294,479	13,707
Workmen and staff welfare expenses	416,779	340,789	15,862
	4,442,356	3,305,080	153,835

(Including employee stock compensation expenses)

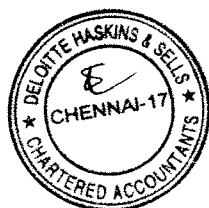
284,729	134,409	
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SCHEDULE 17 : OTHER ADMINISTRATIVE EXPENSES

Sub contracting expenses	2,846,584	3,134,994	145,918
Power and fuel	35,184	28,313	1,318
Rent	1,092,805	1,074,588	50,017
Rates and taxes	(16,624)	34,922	1,625
Insurance	24,216	76,990	3,583
Repairs and maintenance :			
- Plant & Machinery and Ships	15,881	45,310	2,109
- Others	70,763	129,415	6,024
Travelling and conveyance	580,090	448,696	20,885
Communication costs	494,946	325,212	15,137
Printing and stationery	45,340	7,904	368
Legal and professional fees	388,749	556,229	25,890
Auditor's remuneration	(40,000)	48,000	2,234
Selling and decking expenses	78,318	1,588	74
Donations and contribution to charitable institutions	-	10,200	475
Provision for doubtful advances and debts	(121,435)	401,716	18,698
Loss on sale of fixed assets (Net) and Goodwill written off	-	289	13
Doubtful debts and advances written off	403,961	47,029	2,189
Foreign exchange variation	6,304	-	-
Miscellaneous expenses	161,666	210,597	9,802
	6,066,748	6,581,992	306,359

SCHEDULE 18 : FINANCIAL EXPENSES

Interest :			
- On banks	7,296	-	-
- Others	512,540	615,975	28,671
Bank charges and guarantee commission	1,915	12,313	573
Other Financial Charges	126,877	23,658	1,101
	648,628	651,946	30,345



ISGN Corporation , USA

Schedule forming part of accounts

Schedule – 19

Notes on Accounts (Contd)

1. Significant accounting policies

a) Basis of Preparation

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and comply in all material respects with the accounting standards prescribed in the Companies (Accounting Standards) Rules 2006 and with the relevant provisions of the Companies Act, 1956.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the Balance Sheet date and reported amount of revenue and expenses for the year and disclosure of contingent liabilities as at the date of Balance Sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual amounts could differ from these estimates.

c) Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation. The cost of an asset comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

d) Depreciation

Depreciation is provided on fixed assets on Straight Line Method over their estimated useful lives. The depreciation rates used are as follows:

(i) Leasehold improvements	amortized over the period of respective leases or useful life of the assets, whichever is lower.
(ii) Computers	3 years
(iii) Furniture and Fittings	5 years
(iv) Office equipment	5 years
(v) Mobile phones (included under office equipment)	100% in the year of purchase
(vi) Vehicles	5 years



ISGN Corporation , USA

Schedule forming part of accounts

Schedule – 19

Notes on Accounts (Contd)

e) Intangibles Assets

Intangible assets comprise of goodwill, costs relating to intellectual property rights, software development costs and software packages held for use in business.

(i) Goodwill is not amortized but tested for impairment atleast annually or as circumstances warrant at the reporting unit level. If impairment is indicated, a write-down to fair value (normally measured by discounting estimated future cash flows) is recorded.

(ii) Costs relating to Intellectual property rights, which are acquired, are capitalized and amortized over a period of 1 to 3 years.

(iii) Costs incurred in conjunction with software development are charged to software development expenses in the period the costs are incurred until technological feasibility is established. Thereafter, all software development costs are capitalized and reported at the lower of unamortized cost and net realizable value. Capitalised software costs are amortized over the estimated economic life of the software (generally over three years). Software development costs are presented on the balance sheet net of applicable amortization. The estimates of net realizable value and remaining economic life of the Group's product are subject to risks inherent in the software industry, such as changes in technology and customer perceptions. Management regularly reviews these estimates and makes adjustments as appropriate.

(iv) Cost of software packages is amortized over a period of 3 to 5 years.

f) Operating Lease

Where the company is a lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

Where the company is a lessor:

Lease income by sub-lease of office premises is recognized in the profit and loss account on a straight-line basis over the lease term. Costs incurred towards such properties are recognized as expenses in the profit and loss account.

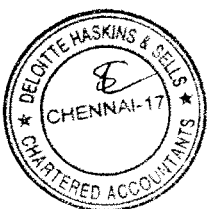
g) Revenue recognition

Revenues from software development are recognized on rendering of such services in terms of the contracts with the customers.

Software license fee is recognized when persuasive evidence of an arrangement exists, delivery of the product had occurred at the customer's location, the fee is fixed or determinable and collection is probable.

Revenues from post-contract services, such as software maintenance, are recognized on a straight-line basis over the term of the contract period. Reimbursement of Out-of-pocket expenses are accounted as revenues.

Unbilled revenues represents work executed in accordance with the terms of the agreement with customers but not billed as at the balance sheet date.



ISGN Corporation , USA

Schedule forming part of accounts

Schedule – 19

Notes on Accounts (Contd)

h) Convenience Translation

The books of accounts of the company are maintained in US Dollars being the currency of the primary economic environment in which it operates and the reporting currency is Indian Rupees (INR). The company does not have any transactions entered in any other currency apart from US Dollars. Solely for the convenience of the reader, the balance sheet as of December 31, 2009 and the Profit and Loss account for the period then ended have been translated into INR, the reporting currency, using the year end exchange rate as of December 31, 2009 which was 1US\$ = Rs 46.545. The convenience translation should not be construed as a representation that the US\$ amounts or the INR amounts referred to in these financial statements have been, could have been, or could in the future be, converted into INR or US\$, as the case may be, at this or at any other rate of exchange, or at all.

i) Tax expenses

Provision for current tax , where applicable, is made based on the liability computed in accordance with the relevant tax rates and the tax laws applicable.. Provision for deferred tax is made for all timing differences arising between the taxable income and accounting income at the tax rates enacted or substantively enacted by the Balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits and are reviewed for the appropriateness of their carrying values at each balance sheet date.

j) Investments

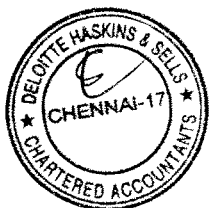
Long-term investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments.

k) Employee Benefits

Contributions made towards retirement/employee benefits, in accordance with the relevant applicable local laws are charged to the Profit and Loss account.

l) Deferred employee stock compensation costs

Deferred employee stock compensation costs for stock options are recognized on the basis of generally accepted accounting principles and in accordance with the guidance note on "Accounting for employee share based payments" issued by the Institute of Chartered Accountants of India. The fair value of the options is measured on the basis of an independent valuation performed and recognized in a graded manner on the basis of weighted period of services over the vesting period.



ISGN Corporation , USA

Schedule forming part of accounts

Schedule – 19

Notes on Accounts (Contd)

m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

2. Change in Accounting year

In the meeting held on 11th December 2009, the Board of Directors approved the change of the Company's financial year from the fiscal year commencing on 1st April of one calendar year and ending on 31st March of the subsequent calendar year to the calendar year (ending 31st December). In order to give effect to the change, the Board of Directors approved the closure of the financial year commencing 1st April 2009 for a 9 months period up to 31st December 2009. Accordingly, these financial statements have been prepared for the nine months period ended 31st December 2009.

3. Share Capital

All the ordinary shares issued till March 31, 2007 was without any par value and the entire amount received amounting to US \$ 30,068,862 were credited to share capital.

Consequent to fixing the par value of Ordinary shares at US\$ 0.0001 per share during the year 2007-08 , the excess amount received above the par value pertaining to outstanding shares as at March 31, 2007 is shown as Share premium Account under Reserves and Surplus.

During the year ended 31st March, 08, the company issued 185,749,379 ordinary shares of \$ 0.0001 each at a premium of \$ 0.1498 per share equivalent to US \$ 18,575 and US \$ 27,825,257 respectively.

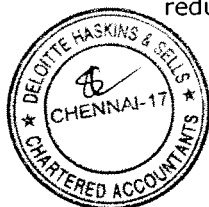
Further during the period ended 31st March 2009 the Company has issued 16,308,753 shares of \$ 0.0001 each at a premium of \$ 0.1498 per share equivalent to US \$ 1,631 and US \$2,443,051 respectively.

Further during the year ended 31st December 2009 the Company has issued 162,302,431 shares of \$ 0.0001 each at a premium of \$0.1498 per share equivalent to US\$16,230 and US\$ 24,312,904 respectively. Also the company has classified \$5,202,113 (being consideration other than cash) in share premium account, pending allotment of shares

4. Unsecured loans

Effective April 1, 2007, NovaSoft Information Technology Corporation, U.S.A (NITC) acquired 100% of controlling interest in Dynatek Inc., for a total consideration of US\$20 million. The consideration was discharged by payment in cash of US\$ 11 million and by way of issue of Convertible Promissory Notes (CPNs) of US\$ 9 million carrying an interest rate of 2.5% per annum.

Pursuant to the terms and conditions of the share purchase agreement the consideration payable has been reduced by an amount of US \$ 746,120. Consequently the face value of the CPNs stands reduced to US \$ 8,253,880



ISGN Corporation , USA

Schedule forming part of accounts

Schedule – 19

Notes on Accounts (Contd)

In accordance with the terms of the CPNs

- Principal and accrued interest shall become due and payable on May 21, 2010.
- Before the maturity date, the lenders have the sole option to convert the entire amount of principal and accrued interest into Ordinary shares of CFCLT.
- On the maturity date, unless earlier converted into shares, CFCLT at its sole option shall discharge the obligation by payment of cash or by converting into Ordinary shares of itself.

In the event the conversion option is exercised, the outstanding amount will be converted into 302,640 Ordinary shares at a conversion price of US \$ 27.2727 per Ordinary share.

The lender, Group and CFCLT have also entered into an agreement wherein, in the event of conversion of CPNs into Ordinary shares, at the option of either CFCLT or the lender, CFCLT shall be obligated to purchase and the seller to sell, the Ordinary shares at a price to be determined by an investment banker. However, the maximum amount payable to the lender shall not exceed the principal amount of the CPNs and the minimum amount payable to the lender shall be at least 50% of the original principal amount of CPNs (US\$ 4,500,000).

5. Investments

No provision for diminution is made in the value of Investments in ISGN Solutions, the wholly owned subsidiary of the company, aggregating to US \$ 46,896,165 is considered necessary, as in the opinion of the management, such diminution in value is not permanent in nature and the investments are held as long term strategic investments.

6. Mergers

Pursuant to the provisions of the Laws of the states of Delaware and Michigan, Dynatek Inc has been merged with ISGN Corporation, USA with effect from April 1, 2009, as confirmed by Secretary of State, State of Delaware. Consequent upon the merger, all the estate, property and rights, privileges, powers and franchises of Dynatek are vested in and held and enjoyed by ISGN Corporation as fully and entirely and without change or diminution as the same were before held and enjoyed by Dynatek in its name and ISGN Corporation has assumed all of the obligations of Dynatek Merged with ISGN corporation. The Shares of the Company were not affected by this merger.

7. Taxation

- a) Current taxes represent the US state taxes paid during the year.
- b) Deferred tax assets are calculated with reference to the business loss and unabsorbed depreciation as per tax and other timing differences. However, in view of uncertainty with regard to the availability of profits in near future and as a matter of prudence, deferred tax asset has not been recognized.

8. Leases

a) Operating Lease

- i. Future minimum lease payments under non-cancellable operating lease:

	Period ended December 2009	Year ended March 2009
Not later than one year	1,285,891	1,016,389
Later than one year and	3,652,630	3,189,070



ISGN Corporation , USA**Schedule forming part of accounts****Schedule – 19****Notes on Accounts (Contd)**

not later than five years		
Later than five year	2,050,885	2,501,524

The lease payments recognized in the Profit and Loss Account during the year amount to US\$1,023,391 (March 31, 2009 US \$ 1,416,951)

b) Finance Lease

- i. Computers include US\$961,710, being cost of assets purchased under finance lease (March 31, 2009 US \$ 923,769)
- ii. Carrying value of the assets as at the balance sheet date amounts to US \$ 208,519 (March 31, 2009 US \$ 409,158)
- iii. Amount recognized as charge in the Profit and Loss Account is US \$ 9,505 towards finance lease charges (March 31, 2009 US \$ 14,981)
- iv. Future minimum lease payments

Us \$			
Period ended December 31, 2009	Lease Payment	Principal	Finance Lease
Not later than one year	214,894	212,393	2,501
Later than one year and not later than five years			
Period ended March 31, 2009	Lease Payment	Principal	Finance Lease
Not later than one year	318,513	312,085	6,428
Later than one year and not later than five years	106,171	105,656	514

9. Operating lease**In case of asset given on lease.**

The company has leased out office premises and certain equipments under non-cancellable operating lease. Rent income for such operating leases recognized in the profit and loss account for the year is US \$ 53,079

Future minimum lease payments receipts are as follows:

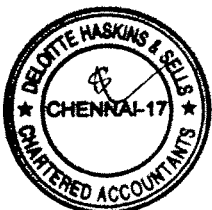
	31 st Dec'09
Not later than one year	70,772
Later than one year and not later than five years	299,420

10. Related Party Disclosure

- (a) **List of parties where control exists**

Ultimate Holding Company (UHC)

Chambal Fertilizers and Chemicals Limited



ISGN Corporation , USA

Schedule forming part of accounts

Schedule – 19

Notes on Accounts (Contd)

Holding Company (HC)

CFCL Overseas Limited – Cayman Islands
CFCL Technologies Limited

Significant influence

NEA FDI Inc
NEA – Indo US Ventures, LLC

Subsidiaries (SC)

ISGN Solutions, Inc., USA
Richmond Investors LLC
Richmond Title Genpar LLC
Richmond Title Services LP
Flex Signing Agents LLC
Richmond Title services, LLC
Fiserv Fulfillment Services, Inc., USA (Pennsylvania)
Fiserv Fulfillment Services, Inc., USA (Arizona)
Fiserv Fulfillment Services South, Inc., USA
Fiserv Fulfillment Services of Alabama, LLC, USA
Fiserv Fulfillment Services of Maryland, Inc., USA
ILS Services, LLC, USA
Fiserv Fulfillment Agency, LLC, USA
Fiserv Fulfillment Agency of Alabama, LLC, USA
Novasoft Information Technology Corporation, GMBH

Fellow Subsidiaries(FS)

- (b) CFCL Ventures Limited
ISG Novasoft Technologies Limited –India*

Key Management Personnel (KMP)

- (c) Mr.Krishnakumar Srinivasan, Director
Mr. Murali Gomatham, Director
Mr. Niraj Patel, Director

* Represents parties with whom the Company had transactions during the year

The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by auditors.

(d) List of transactions with related parties

Description	Parties where control exists							
	Ultimate Holding Company and Holding Company		Subsidiary		Fellow subsidiary		Total	
	Dec'09	Mar'09	Dec'09	Mar'09	Dec'09	Mar'09	Dec'09	Mar'09
Transactions during the year								
Software and Business process								



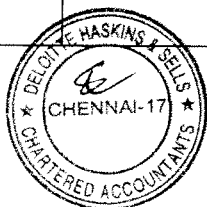
ISGN Corporation , USA

Schedule forming part of accounts

Schedule - 19

Notes on Accounts (Contd)

outsourcing services procured from								
ISG Novasoft Technologies Ltd					2,962,504	2,605,492	2,962,504	2,605,492
Reimbursement of Expenses received								
CFCL Technologies Ltd	3,151	40,556					3,151	40,556
Dynatek, Inc				86,423				86,423
ISG Novasoft Technologies Ltd					182,343	311,915	182,343	311,915
ISGN Solutions, Inc			744,555	11,801,207			744,555	11,801,207
Asia Novasoft Technologies Pte Ltd				95,020				95,020
Reimbursement of expenses made								
CFCL Technologies Ltd	520,518	42,632					520,518	42,632
CFCL Ventures Ltd					4010		4010	
Chambal Fertilizers and Chemicals Ltd		4,844						4,844
Dynatek, Inc				2,995				2,995
ISGN Solutions			1,339,098	480,998			1,339,098	480,998
Fiserv Fulfillment Services Inc			322,210				322,210	
Richmond Title Services LP			84,562	11,967			84,562	11,967
Asia Novasoft Technologies Pte Ltd				20,000				20,000
Equity Infusion by Parent								
CFCL Technologies Ltd	24,329,134						24,329,134	
Equity Infusion To Subsidiary								
ISGN Solutions Inc			26,107,058				26,107,058	
Balances at the year end								
Loans and Advances								
ISGN Solutions Inc			1,977,728	11,906,844			1,977,728	11,906,844
Fiserv Fulfillment Services Inc			322,210				322,210	
Richmond Title Services LP			96,529	11,967			96,529	11,967
CFCL Ventures					4,010		4,010	
Sundry creditors								
ISG Novasoft Technologies Ltd					980,075	155,229	980,075	155,229
Novasoft Information Technology Corporation,			10,842	9,091			10,842	9,091



ISGN Corporation , USA**Schedule forming part of accounts****Schedule – 19****Notes on Accounts (Contd)**

Germany								
CFCL Technologies Limited	1,144,863	5,550,274					1,144,863	5,550,274
Dynatek, Inc				865,428				865,428

(e). List of transactions made by the company in which KMP has substantial interest

Particulars	US \$	
	For the period ended 31 st Dec'09	For the year ended 31 st March '09
Remuneration paid	809,550	824,164

11. Segmental Reporting

The Company is primarily engaged in the business of software products and services and accordingly, there are no separate reportable segments as per Accounting Standard 17 on Segment reporting.

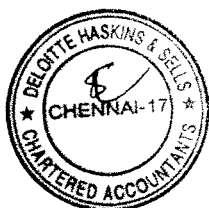
12. Contingent Liabilities

- Breach of warranties on product licenses sold - \$74,950
- Counter claim by a customer against the Company for a claim made by ISGN Corporation to recover licensing fee on use of products of the company and post maintenance services - \$87,162
- Bankruptcy court matter on an alleged "preference" payment made to Fair Isaac

13. Earnings per share

	Period ended December 2009	Year ended March 2009
Loss for the year as per Profit and Loss account (A)	(4,399,326)	(1,329,547)
Weighted average number of shares outstanding (B)	376,256,933	377,034,949
Basic and Diluted EPS (A/B) (In USD)	(0.0117)	(0.0035)

14. During the year, CFCL Technologies Ltd, the parent company, has issued employee stock options to the selected employees of the company and the related charges amounting to \$134,409 has been charged to Profit & Loss account.



ISGN Corporation , USA

Schedule forming part of accounts

Schedule – 19

Notes on Accounts (Contd)

15. The current financial period is for nine months and hence the Profit and Loss Account of the current period is not comparable with that of the previous year which was for a period of 12 months.

Previous year figures have been regrouped / reclassified, wherever necessary to conform to the current period's classification.

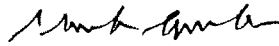
Signature to Schedules 1 to 19

for Deloitte Haskins & Sells,
Chartered Accountants

For and on behalf of the Board of Directors



Bhavani Balasubramanian
Partner



Director



Director



Chief Financial Officer